



Customer Collaborative Meeting

Financial Overview through March 31, 2004

- If ENW debt optimization and FAS 133 accounting are excluded:
 - Projected expenses are down \$112 million from the Rate case forecast and are up \$8 million from the First Quarter forecast (an increase of: \$36 million in Power Purchases, \$21 million in Fish & Wildlife expenses; offset by \$49 million of reductions in interest, transmission and power related expenses.)
 - Projected revenues are down \$216 million from the Rate case forecast and \$57.5 million from the First Quarter forecast. The primary driver of the decline is reduced secondary revenues, which resulted from reduced snow-pack.
 - As a result, projected Modified Net Revenues are down \$104 million from the Rate case forecast and \$65.6 million from First Quarter forecast.
- Projected cash remains at approximately the same level as the First Quarter forecast and is \$44 million higher than the Rate case. This is primarily due to the commitment of ENW to proceed with debt optimization for FY 05.
- The use of a new accounting standard (EITF 03-11 requiring that book-out transactions be presented net) alters revenue and expenses by equal amounts, which therefore has no impact on net revenues.

This information has been made publicly available by BPA on May 04, 2004 and is consistent with the Customer Collaborative reports and contains Agency-approved Financial Information

Federal Columbia River Power System Modified Net Revenue (MNR) Schedule II

Run Date/Time: April 30,2004/ 12:00

Through the Month Ended March 31, 2004

Unit of Measure: Thousands (\$000)

Preliminary Unaudited

% of Year Lapsed = 50%

	A	B	C	D	E	F
	Rate Cases: FY 2004	Forecast: 1st Qtr 2004	Forecast: 2nd Qtr 2004	Delta: 2nd Qtr to Rate Case	Delta: 2nd Qtr to 1st Qtr	Line No. FCRPS Net Rev (Exp) Stmnt
1 Total Revenues	\$3,495,212	\$3,335,201	\$3,307,248	(\$187,964)	(\$27,953)	5
2 Less Derivatives - Mark to Market Gain (Loss)		(1,210)	28,413	28,413	29,623	3
3 Total Revenues less MTM	3,495,212	3,336,411	3,278,835	(216,377)	(57,576)	
4 Expenses without ENW Debt Service <Note 1	2,793,005	2,672,788	2,680,805	(112,200)	8,017	(28 + 32) - 26
5 Rate Case ENW Debt Service	557,480	557,480	557,480			
6 Total Expenses including ENW Debt Service	3,350,485	3,230,268	3,238,285	(112,200)	8,017	
7 Modified Net Revenues (Expenses)	\$144,727	\$106,143	\$40,550	(\$104,178)	(\$65,594)	

<1 Non-Federal Debt Service reported in the Net Revenue/(Expense) Statement is not exclusive to ENW, and includes other areas.

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<div>Report ID: 6</div> <div>Run Date/Time: April 23,2004/ 16:44</div> <div>Data Source: PS Production</div> <div>Unit of measure: \$ Thousands</div> <div>Federal Columbia River Power System</div> <div>Statement of Revenues and Expenses - Customer Collaborative</div> <div>Through the Month Ended March 31, 2004</div> <div>Preliminary/ Unaudited</div> <div>% of Year Lapsed = 50%</div>						
	A	B <Note 3	C	D	E	F
	Actuals: FY 2003	PBL & TBL Rate Cases: FY 2004	Forecast: First Quarter FY 2004	Forecast: Qtr 2 FY 2004	Actuals: FYTD 2004	Actuals: FYTD 2003
Operating Revenues						
1 Sales <Note 1	3,328,277	3,365,554	3,214,322	3,134,648	1,514,616	1,712,807
2 Miscellaneous Revenues	49,077	47,983	51,239	57,149	25,298	18,489
3 Derivatives - Mark to Market Gain (Loss) <Note 2	55,265		(1,210)	28,413	28,413	21,230
4 U.S. Treasury Credits	179,484	81,675	70,851	87,038	38,804	68,564
5 Total Operating Revenues	3,612,104	3,495,212	3,335,201	3,307,248	1,607,131	1,821,089
Operating Expenses						
Power System Generation Resources						
Operating Generation Resources						
6 Columbia Generating Station	205,153	216,900	221,665	222,665	100,138	131,060
7 Bureau of Reclamation	54,041	61,300	61,300	60,300	27,154	22,430
8 Corps of Engineers	129,383	140,500	140,500	138,500	61,392	56,102
9 Long-term Generating Projects	26,105	31,346	28,355	27,835	9,593	10,677
10 Operating Generation Settlement Payment	16,709	17,000	16,838	16,838	7,626	9,083
11 Non-Operating Generation	9,136	12,200	1,442	1,438	(914)	3,054
12 Contracted Power Purchases and Augmentation Power Purchases <Note 1	1,007,997	692,886	660,012	695,737	273,540	568,653
13 Residential Exchange/IOU Settlement Benefits	143,967	143,802	143,802	129,415	63,944	70,412
14 Renewable and Conservation Generation, including C&RD	83,059	89,724	91,199	88,495	39,857	33,099
15 Subtotal Power System Generation Resources	1,675,550	1,405,658	1,365,113	1,381,224	582,331	904,570
16 PBL Transmission Acquisition and Ancillary Services	47,648	49,000	48,499	48,000	13,915	18,729
17 PBL Non-Generation Operations	62,649	66,629	64,421	64,084	25,597	29,721
18 TBL Transmission Acquisition and Ancillary Services	5,617	8,321	7,108	6,521	3,088	3,211
19 Transmission Operations	76,519	96,312	85,682	81,742	38,082	36,132
20 Transmission Engineering	13,424	20,533	17,026	15,602	6,933	4,545
21 Transmission Maintenance	78,257	84,491	83,189	76,743	36,258	35,886
22 Fish and Wildlife/USF&W/Planning Council/Environmental Requirements	169,918	163,445	165,526	186,527	42,814	63,212
General and Administrative/Shared Services						
23 CSRS	35,100	30,950	30,950	30,950	15,450	17,550
24 Corporate Support (G&A and Shared Services) / TBL Supply Chain	83,987	100,728	89,232	89,374	40,660	39,883
25 Other Income, Expenses & Adjustments	(7,140)		(7,038)	57	(2,100)	(1,692)
26 Non-Federal Debt Service	119,534	584,819	349,765	245,798	128,024	112,993
27 Depreciation & Amortization	350,025	355,655	357,389	358,644	178,855	173,721
28 Total Operating Expenses	2,711,089	2,966,540	2,656,863	2,585,266	1,109,908	1,438,462
29 Net Operating Revenues (Expenses)	901,015	528,672	678,338	721,982	497,223	382,627
Interest Expense						
30 Interest	378,989	383,945	363,328	335,685	165,635	187,570
31 AFUDC	(33,398)		(34,600)	(32,410)	(15,890)	(14,714)
32 Net Interest Expense	345,591	383,945	328,728	303,275	149,745	172,855
33 Net Revenues (Expenses) from Continuing Operations	555,424	144,727	349,610	418,707	347,478	209,772
34 Net Revenues (Expenses)	\$555,424	\$144,727	\$349,610	\$418,707	\$347,478	\$209,772

<1 Current Period & FYTD Actuals for Power Sales & Contracted Power Purchases decreased by a net \$98.5 million, due to the change in accounting for power "bookout" transactions after adoption of new accounting guidance, EITF 03-11, effective as of Oct 1, 2003. The change in accounting for power "bookout" transactions was not applied to the Rate case or the Forecast.

<2 This is an "accounting only" (no cash impact) adjustment representing the mark-to-market (MTM) adjustment required by SFAS 133, as amended, for identified derivative instruments. The MTM adjustment is excluded in calculating Modified Net Revenues for rate setting purposes.

<3 PBL Rate Case amounts are from the final SNCRAC ROD data that was presented at the August 28th, 2003 Customer Workshop, which did not include any results from debt refinancing.

The TBL groupings of expenses by programs and sub-programs for FY 2004 estimates, developed as part of the 2004 Rate Case, have been reconstituted to match the groupings shown for FY 2004 on this report.

<4 Although the forecasts in this report are presented as point estimates, BPA operates a hydro-based system that encounters much uncertainty regarding water supply and wholesale market prices. These uncertainties among other factors may result in large range swings +/- impacting the final results in revenues, expenses, and cash reserves.

**FY 2004 Summary Comparison of Modified Revenues, Modified Expenses,
and Modified Net Revenues for the PBL, TBL and FCRPS**
\$ Thousands

This comparison is between the Second Quarter Review and the combined PBL & TBL Rate Cases.

	A PBL	B TBL	C Between Business Line	D Corporate	E FCRPS
1 Change in Modified Total Revenues	-169,931	-76,450	30,003		-216,378
2 Change in Modified Total Expenses	-86,933	-60,337	34,284	784	-112,202
3 Change in Modified Net Revenues	-82,998	-16,113	-4,281	-784	-104,176
4 SN CRAC August 2003 Forecast - Modified Net Revenues	<u>129,045</u>				<u>144,727</u>
5 Second Quarter Review - Modified Net Revenues	<u><u>46,047</u></u>				<u><u>40,551</u></u>